A2500-2
12/9/88

Paper Paperboard & Wood Pulp

MONTHLY STATISTICAL SUMMARY - Vol. 66 No. 11 NOVEMBER 1988

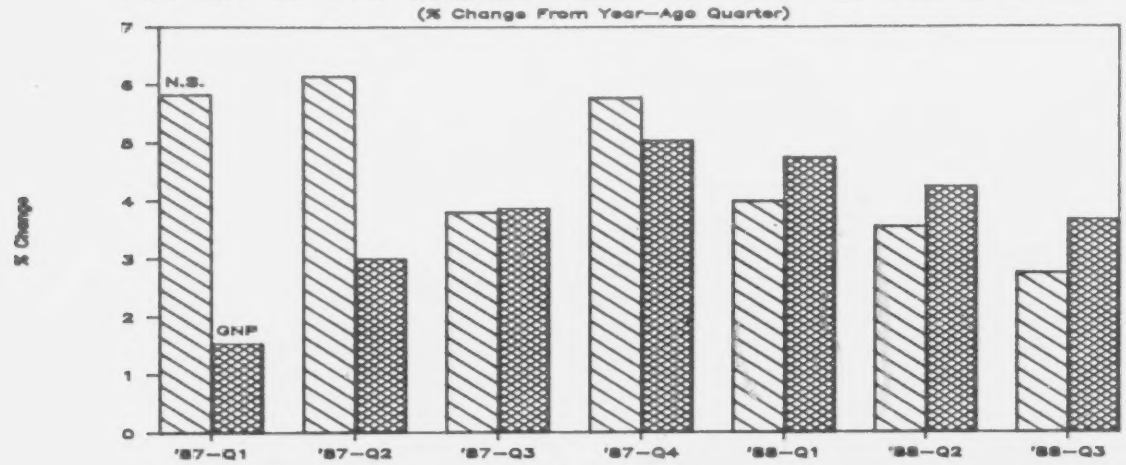
PAPER AND PAPERBOARD PRODUCTION: HOLDING NEAR RECORD HIGHS

The rate of paper and paperboard production in October continued along the flat trend it has been following all year. The tilt in paper production is slightly upward, at just over 1% per year, but paperboard production has been pointing slightly downward since the middle of the second quarter, easing about 1.6% per year. With ten months data available, these trends appear to be bringing the 1988 paper and paperboard total to a record high, in the range of 76.8-77.0 million tons.

New supply of paper and paperboard (domestic production plus imports less exports) ran at a seasonally adjusted annual rate of 83.8 million tons during the first three quarters of 1988, representing a 3.8% gain over its year-ago volume. However, new supply has also shown little change since the end of 1987. The third quarter 1988 rate, for example, was 0.3% above that of the fourth quarter of 1987.

The chart below compares the quarterly growth in paper and paperboard new supply with that of real GNP for the past seven quarters. This chart highlights the change in the relative growth patterns from 1987 to 1988, showing paper and paperboard new supply growing faster than real GNP in 1987 and more slowly in 1988; a normal pattern as new supply approaches its long-term growth trend. These trends are discussed in more detail in the section on New Supply Patterns on Page 11.

PAPER & PAPERB'D: NEW SUPPLY & REAL GNP



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Demand for communication papers -- newsprint and printing-writing papers -- continue to provide the major strength to domestic paper production. Major gains among these grades are in uncoated groundwood papers, coated papers and bleached bristols, with uncoated free sheet paper showing slightly smaller growth. However, production of each of these four grades is pointing to a new high for 1988.

Production of tissue papers, and packaging and industrial papers other than unbleached kraft papers are also moving to new highs. The gain in production of other papers -- 9.1% over its year-earlier total in the January-October period -- was the largest of all the paper and paperboard grades reported, with the strength concentrated in the bleached kraft and specialty packaging grades.

Consistent with these trends, total paper production is moving to a new high, in the neighborhood of 38.5 million tons per year.

The 1988 paperboard production will probably reach a new high, in the 38.3-38.5 million tons range. The trends of unbleached kraft linerboard and semichemical paperboard have been easing downward since early 1988, but those of solid bleached board and recycled paperboard have held fairly steady.

These patterns are reflected in the data on the market groupings of paperboard production presented at the bottom of the table on Page 3. Production of containerboard for domestic use, for example, gained 2.7% from the first ten months of 1987 to the corresponding 1988 period, while production of boxboard for domestic use rose 3.9%. The gain in containerboard production is consistent with the 3.1% increase recorded in shipments of corrugated shipping containers in this same period. Inventories of containerboard at mills and plants declined by 135,000 tons during October, bringing the inventory total down to 5.2 weeks of supply. Containerboard production totals are currently being affected by downtime for normal maintenance and repair at several large mills.

CHEMICAL PAPER GRADE MARKET WOOD PULP

Largely as the result of normal seasonal maintenance downtime, production of chemical paper grade market pulp fell to 550,000 short tons in October, 7.4% below its September total. For the entire January-October 1988 period, however, production averaged 7.06 million tons per year, equivalent to 100% of the reported capacity and 4% above its year-ago level.

U.S. producers' inventories crept up to 15 days of supply as of the end of October, compared to 14 days one year ago and 16 days as of the end of 1986. Inventories of these grades of

Continued on Page 11

PAPER AND PAPERBOARD STATISTICS

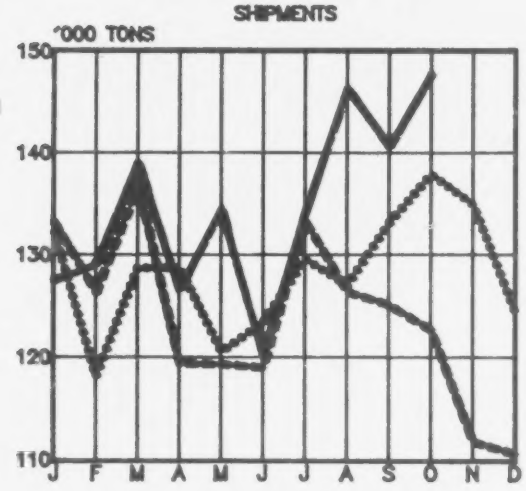
PRODUCTION, SHIPMENTS AND ORDERS
(Thousands of Short Tons)

	YEAR 1986	YEAR 1987	JULY 1988 (P)	AUGUST 1988 (P)	SEPTEMBER 1988 (P)	OCTOBER 1988 (P)	Annual Rate Y-T-D 1988	% Change From same Period Last Year
PAPER								
Newsprint - Production	5,630	5,842	481	509	492	507	5,971	2.4
- Shipments	5,638	5,854	475	506	493	508	5,932	1.7
Printing & Writing Sum	19,668	20,780	1,750	1,912	1,822	1,842	21,918	5.8
Groundwood Paper - Shipments	1,540	1,485	134	147	141	148	1,617	6.7
- New Orders	1,553	1,529	131	136	143	146	1,609	4.0
-Unfilled Orders	124	164	177	171	173	172	172	23.5
Coated Papers - Shipments	6,263	6,860	594	648	606	617	7,410	8.6
- New Orders	6,334	7,066	662	641	584	659	7,505	6.1
- Unfilled Orders	469	708	746	756	729	767	767	9.2
Unctd Free Sheet - Shipments	10,410	10,977	906	982	954	953	11,379	4.1
- New Orders	10,485	11,184	909	954	924	946	11,402	2.3
- Unfilled Orders	587	773	818	806	778	762	762	5.4
Thin Papers - Shipments	271	251	14	19	16	17	221	-11.3
Cotton Fiber Paper - Shipments	152	163	12	13	13	14	162	-1.8
Bleached Bristols - Production	1,033	1,044	91	103	92	93	1,130	8.7
Tissue Paper - Production	5,095	5,301	452	471	456	470	5,488	3.7
Total Packaging & Other Paper	5,117	5,072	408	432	441	435	5,207	2.8
Unbl. Kraft Paper - Shipments	3,303	3,079	240	250	261	248	3,033	-1.8
Other Paper - Production	1,814	1,993	168	182	180	187	2,174	10.0
TOTAL PAPER-Production-Unadj.	35,510	36,994	3,090	3,323	3,210	3,254	38,585	4.5
-Production-S.A.			3,211	3,216	3,220	3,225	38,433	4.2
PAPERBOARD - PRODUCTION								
Solid Wood Pulp Furnish	27,336	28,944	2,488	2,555	2,417	2,435	29,554	2.1
Total Unbl. Kraft Paperboard	17,689	18,913	1,619	1,666	1,590	1,582	19,356	2.4
Unbl. Kraft Linerboard (1)	16,402	17,682	1,511	1,552	1,481	1,489	18,084	2.4
Production for Export	2,246	2,318	191	203	185	192	2,386	1.2
Other Unbl. Kraft Paperboard	1,287	1,232	108	114	109	93	1,272	2.0
Semichemical Paperboard	5,376	5,600	480	494	472	472	5,707	1.4
Production for Export	213	189	10	14	11	12	134	-31.6
Solid Bleached Paperboard	4,222	4,420	389	395	355	381	4,491	1.6
Production for Export	569	619	46	55	47	51	603	-3.1
Recycled Paperboard	8,092	8,506	694	730	711	776	8,873	4.3
Production for Export	70	75	6	6	3	2	66	-4.8
TOTAL PAPERBOARD-Prod.-Unadj.	35,379	37,439	3,181	3,284	3,127	3,210	38,427	2.6
- Containerboard Prod.(Dom. Use)	21,426	23,016	1,985	2,003	1,948	1,966	23,604	2.7
- Boxboard Prod.(Dom. Use) (2)	5,863	6,026	518	539	498	529	6,252	3.9
- All Other P'bd Prod.(D.U.) (2)	4,992	5,196	425	463	435	458	5,383	3.4
- Total Paperbd Prod. for Export	3,097	3,201	254	279	247	257	3,189	-1.7
TOTAL PAPERBOARD PROD.- S.A.			3,177	3,164	3,151	3,137	38,099	2.3
TOTAL PAPER AND PAPERBOARD								
Production - Unadj. (R)	70,889	74,433	6,271	6,608	6,337	6,465	77,012	3.6
Production - S.A.			6,388	6,380	6,371	6,363	76,533	3.2

(1) Includes all exports of kraft paperboard. R - Revised P - Preliminary S.A. - Seasonally Adjusted
(2) Data for unbl. kraft folding boxboard incl. in All Other P'bd.

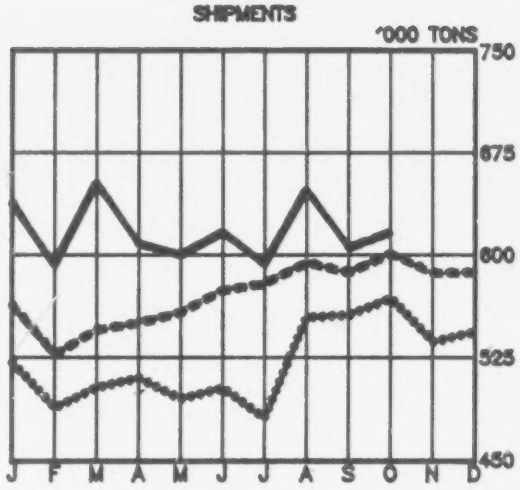
GROUNDWOOD PAPER, UNCOATED

SHIPMENTS



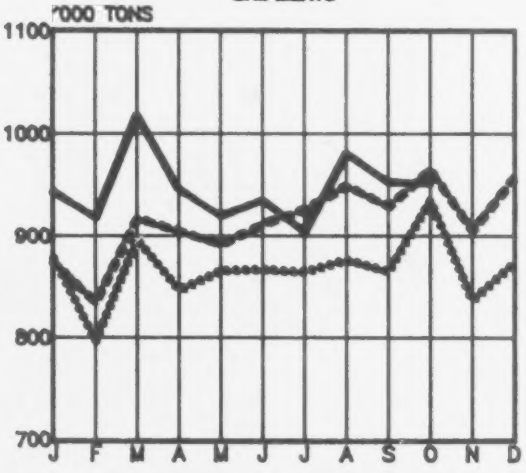
COATED PAPER

SHIPMENTS



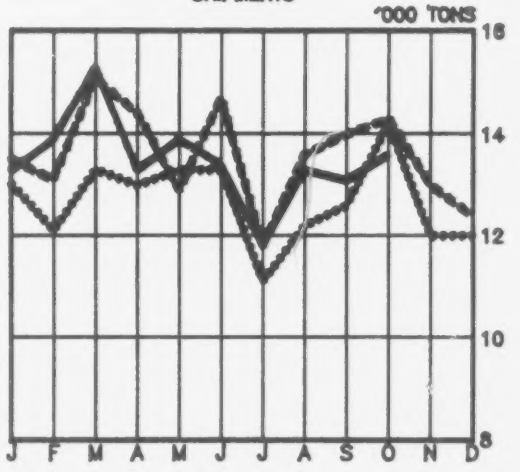
UNCOATED FREE SHEET PAPERS

SHIPMENTS



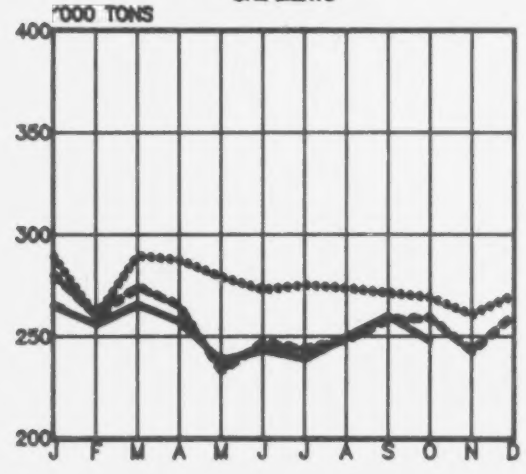
COTTON FIBER PAPER

SHIPMENTS



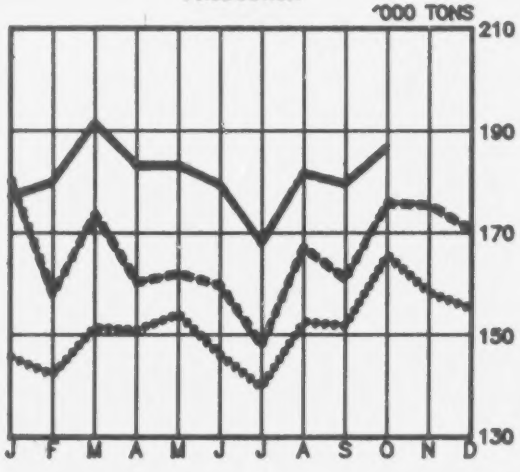
UNBLEACHED KRAFT PACKAGING AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS



OTHER PAPER

PRODUCTION



1986 ••••••• 1987 ▬▬▬ 1988 ———

WOOD PULP STATISTICS
(Thousands of Tons)

	YEAR 1986	YEAR 1987	JUNE 1988	JULY 1988	AUGUST 1988	SEPTEMBER 1988	Annual Rate Y-T-D 1988	% Change from same Period Last Year
TOTAL WOOD PULP					R	P		
Total Wood Pulp - Production	57,005	59,552	4,949	5,219	5,265	5,006	61,154	3.0
- Imports	4,582	4,850	415	416	460	379	5,018	3.2
- Exports	4,458	4,889	497	392	497	518	5,487	12.3
- New Supply	57,129	59,513	4,867	5,243	5,227	4,867	60,685	2.3
Dissolving Pulp - Production	1,258	1,312	117	117	119	135	1,373	5.3
- Imports	255	198	19	11	24	19	237	10.0
- Exports	711	752	101	56	63	81	839	11.2
- New Supply	801	757	36	72	81	73	771	0.8
Paper Grades - Production	46,081	48,293	4,003	4,241	4,272	4,045	49,511	2.8
Chemical Pulp - Imports	4,220	4,456	362	375	404	338	4,420	-1.3
- Exports	3,689	4,111	395	331	431	434	4,600	11.9
- New Supply	46,612	48,637	3,971	4,284	4,244	3,949	49,330	1.7
Groundwood and - Production	5,476	5,702	480	497	504	473	5,942	4.9
Thermo-Mech. - Imports	108	197	33	30	32	21	361	109.2
- Exports	59	26	1	4	3	3	47	101.0
- New Supply	5,525	5,872	512	523	532	492	6,256	7.6
Semi-Chemical - Production	4,191	4,246	349	363	371	353	4,329	1.9
- Imports								
- Exports								
- New Supply	4,191	4,246	349	363	371	353	4,329	1.9
MARKET WOOD PULP								
Total Market - Production	7,572	8,114	686	728	755	727	8,482	5.1
Wood Pulp - Imports	3,122	3,235	288	291	325	281	3,466	7.7
- Exports	4,470	4,820	456	382	442	420	4,947	3.4
- New Supply	6,224	6,529	518	636	638	588	7,001	7.6
Dissolving Pulp - Production	1,251	1,308	117	117	119	135	1,370	5.5
- Imports	212	154	18	11	22	18	209	27.5
- Exports	718	775	79	48	63	93	789	1.2
- New Supply	745	687	56	79	77	59	790	15.6
Paper Grades - Production	6,315	6,806	570	611	636	593	7,112	5.0
Chemical Pulp - Imports	2,831	2,975	258	267	294	254	3,098	4.8
- Exports	3,752	4,045	378	334	379	327	4,158	3.8
- New Supply	5,394	5,736	450	544	551	520	6,052	5.7
Groundwood Pulp - Production	5	0	0	0	0	0	0	0
and All Other - Imports RS	79	106	12	13	10	9	159	61.7
- Exports	0	0	(0)	(0)	0	0	(0)	0.0
- New Supply	85	106	12	13	10	9	159	62.1

SOURCES: Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports - Pulp Division, Pulp, Materials and Technology Group, API. Total Wood Pulp Imports & Exports - Department of Commerce.

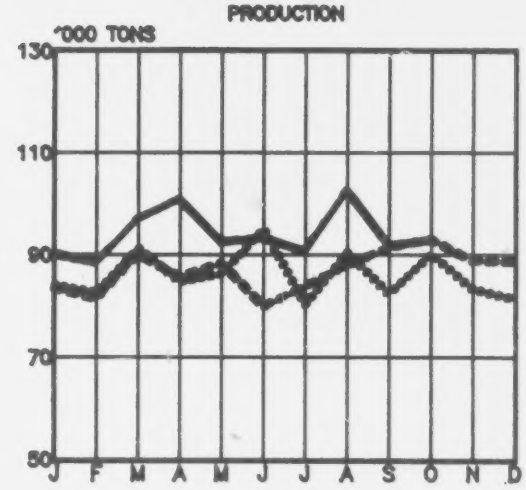
FIBROUS RAW MATERIALS
(Thousands of tons)

	YEAR 1986	YEAR 1987	JUNE 1988	JULY 1988	AUGUST 1988	SEPTEMBER 1988	Annual Rate Y-T-D 1988	% Change from same Period Last Year
CONSUMPTION AT PAPER & PAPERBOARD MILLS					R	P		
Total	74,345	77,770	6,496	6,685	6,846	6,464	79,714	2.9
Total Wood Pulp	57,061	59,474	4,931	5,160	5,236	4,927	60,879	2.7
Waste Paper	17,285	18,296	1,565	1,525	1,610	1,537	18,836	3.5
INVENTORIES								
Chemical Paper Grade Market Pulp								
Producers' Own-Use Inventories	174	170	175	194	199	198	198	18.9
Producers' Market Inventories	284	224	193	236	247	272	272	-0.2
Consumers' Purchased Inventories #	496	529	534	548	634	628	628	12.0
Waste Paper at Paper & Bd. Mills	838	920	908	905	970	1,066	1,066	23.0
Days of Supply at Pulp Mills of Chemical Paper Grade Mkt Pulp	16	12	10	12	13	14	14	0.0

SOURCES: Wood Pulp Data, Pulp Division, Pulp, Materials and Technology Group, API. Waste Paper Data, Paper Recycling Committee, API. # Includes all grades of wood pulp.
P - Preliminary; R - Revised; (0) - Indicates zero to five-hundred short tons RS - 1988 Revised Series

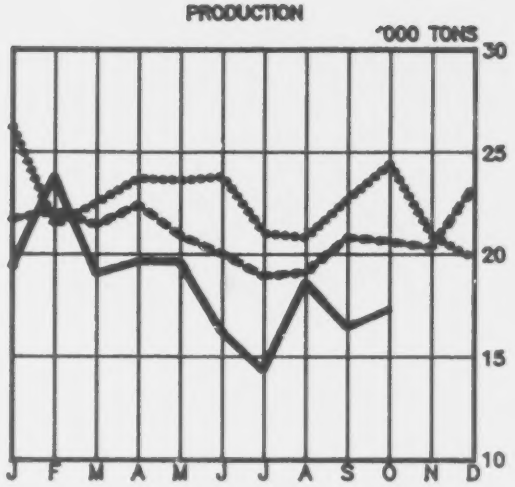
BLEACHED BRISTOLS

PRODUCTION



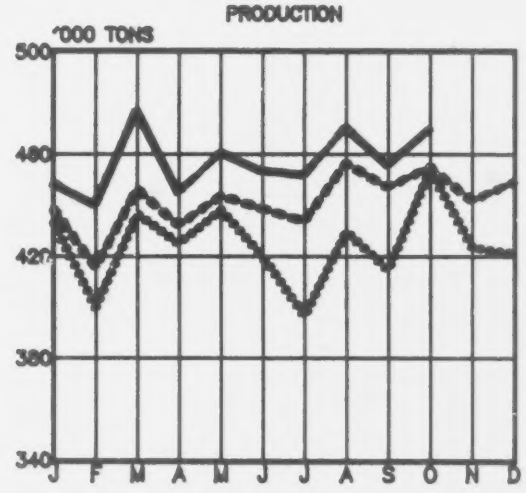
THIN PAPER

PRODUCTION



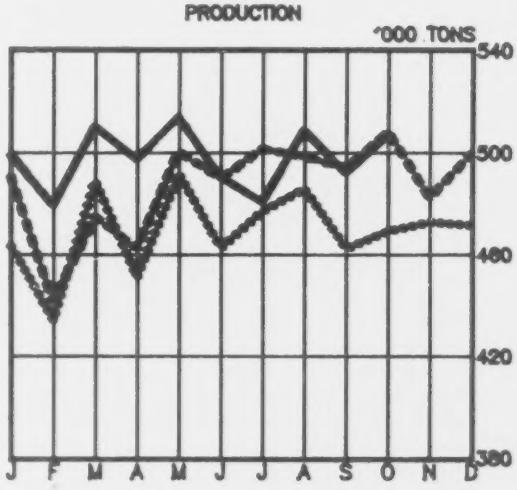
TISSUE PAPER

PRODUCTION



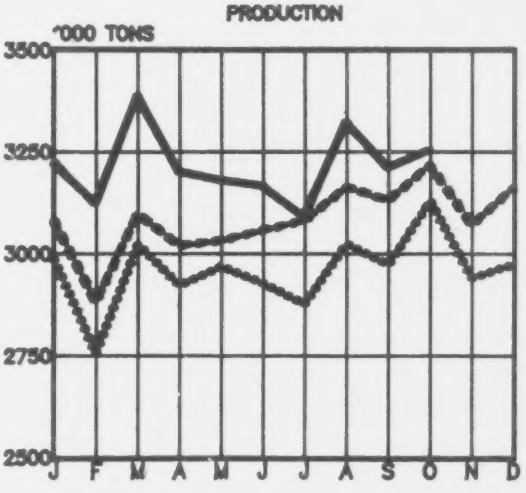
NEWSPRINT

PRODUCTION



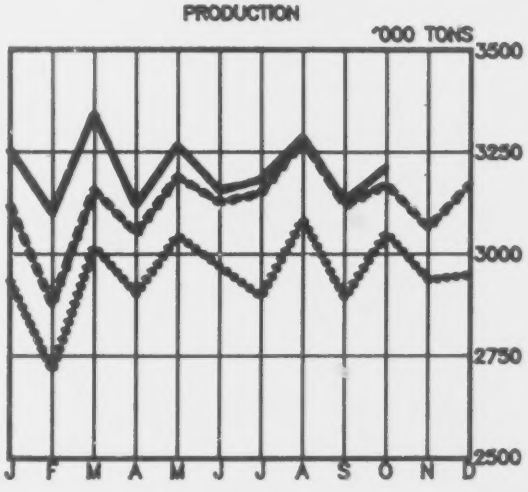
TOTAL PAPER

PRODUCTION



TOTAL PAPERBOARD

PRODUCTION



1986 1987 1988

F I B R O U S R A W M A T E R I A L S

(Thousands of Standard (128 cubic foot) Cords)

		YEAR 1986	YEAR 1987	JUNE 1988	JULY 1988	AUGUST 1988	SEPTEMBER 1988	Annual Rate Y-T-D 1988	% Change From Same Period Last Year
PULPWOOD									
Total U.S.	- Total Receipts	90,943	94,312	7,766	7,652	8,007	8,080	94,711	0.5
	- Total Consumpt	91,434	93,946	7,689	7,901	7,951	7,956	95,332	1.6
	- Residues *	32,755	32,899	2,603	2,697	2,769	2,723	32,980	0.9
	- Inventories	4,794	5,096	4,507	4,232	4,325	4,484	4,484	-11.1
So. Atlantic	- Total Receipts	29,513	31,147	2,489	2,541	2,653	2,688	31,157	0.7
	- Total Consumpt	29,425	30,915	2,512	2,613	2,652	2,686	31,421	1.8
	- Residues *	9,343	9,553	683	800	795	799	9,703	4.0
	- Inventories	994	1,211	1,033	980	997	1,048	1,048	-5.9
Northeast	- Total Receipts	7,277	6,941	630	569	623	622	7,033	0.7
	- Total Consumpt	7,227	7,109	582	578	599	549	7,280	1.6
	- Residues *	1,419	1,543	141	107	150	138	1,625	5.8
	- Inventories	484	594	445	430	429	482	482	-6.2
South Central	- Total Receipts	31,790	33,650	2,789	2,632	2,835	2,914	33,464	-0.2
	- Total Consumpt	32,113	33,059	2,748	2,742	2,789	2,876	33,532	1.8
	- Residues *	9,792	9,992	841	815	830	816	9,837	-2.3
	- Inventories	926	1,294	1,068	937	987	1,030	1,030	-12.7
North Central	- Total Receipts	6,571	6,552	586	557	556	545	6,959	7.4
	- Total Consumpt	6,730	6,764	582	566	565	519	6,973	4.0
	- Residues *	1,042	1,263	118	107	118	116	1,384	25.2
	- Inventories	892	830	806	802	803	825	825	-3.7
West	- Total Receipts	15,792	16,022	1,272	1,353	1,340	1,311	16,097	-1.0
	- Total Consumpt	15,939	16,099	1,265	1,402	1,346	1,326	16,125	-0.5
	- Residues *	11,159	10,548	820	868	876	854	10,431	-2.1
	- Inventories	1,498	1,167	1,155	1,083	1,109	1,099	1,099	-20.3

* - Consumption of Residues in Cord Equivalents. SOURCE: American Pulpwood Association 17-Nov-88

U N I T E D S T A T E S T R A D E W I T H C A N A D A

IMPORTS FROM CANADA

	YEAR 1987 Tons	YEAR 1987 ($000's)	AUGUST 1988 Tons	AUGUST 1988 ($000)	SEPTEMBER 1988 Tons	SEPTEMBER 1988 ($000)	Annual Rate Y-T-D 1988 Tons	% Change From same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	15,382	1,736	6,860	601	8,278	696	47,271	530.4
Pulpwood chips	487,147	15,250	68,802	3,011	84,058	4,489	859,384	100.3
Wood Pulp, Total	4,320,114	1,842,019	385,265	209,860	308,546	170,333	4,288,071	-0.7
Waste Fibrous Materials, Total	186,286	36,423	16,960	3,502	20,552	4,046	239,996	31.2
Paper, Board & Products, Total	10,588,047	5,093,903	900,118	496,135	896,810	497,877	10,768,295	1.3
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	10,441,472	4,845,663	888,572	474,169	883,557	474,047	10,622,356	1.3
Paper, Paperboard & Products	10,365,412	5,027,943	878,792	489,512	874,010	491,370	10,553,639	1.5
Paper & Paperboard, Only	10,218,838	4,779,702	867,246	467,546	860,756	467,540	10,407,700	1.5
Paper, Total	9,961,198	4,698,148	842,038	458,235	841,500	460,580	10,143,819	1.5
Newsprint	8,588,309	3,956,147	702,811	371,649	701,020	372,784	8,530,795	-1.3
Printing, Writing & Rel. Pap.	1,111,641	601,978	113,520	70,913	113,949	71,617	1,320,173	20.8
Pack. & Ind. Conv. Paper	215,514	102,986	20,975	11,261	21,742	11,507	237,939	8.1
Special Industrial Paper	5,478	9,844	384	778	463	966	4,651	-15.2
Tissue Paper	40,257	27,194	4,349	3,635	4,326	3,705	50,261	28.7
Paperboard, Total	257,639	81,554	25,207	9,311	19,256	6,961	263,881	3.6
Convtd Paper&Paperbd Products	146,575	248,241	11,546	21,965	13,254	23,830	145,939	-0.1
Wet Machine Board	2,890	1,977	265	190	293	202	3,060	5.2
Construction Paper & Board	219,744	63,983	21,062	6,433	22,507	6,306	211,596	-9.0

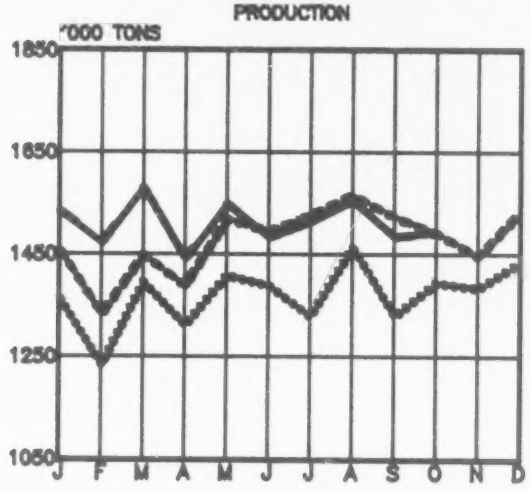
EXPORTS TO CANADA

Pulpwood, Roundwood (in cords of 128 cubic feet)	12,617	770	1,259	88	904	60	13,163	58.2
Pulpwood chips	61,575	4,014	3,626	166	1,673	64	40,627	-43.3
Wood Pulp, Total	198,921	75,956	26,514	8,777	29,411	9,766	276,445	30.1
Cotton Pulp & Other Pulp	58,288	14,775	5,607	1,733	4,404	1,384	77,955	39.0
Waste Paper	286,898	30,592	42,696	4,977	30,662	3,712	338,864	23.1
Paper, Board & Products, Total	957,434	598,429	88,485	65,478	88,190	62,588	1,229,817	30.1
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	712,494	398,256	66,278	41,575	65,155	41,039	946,673	35.5
Paper, Paperboard & Products	920,755	581,481	84,823	63,805	84,469	60,883	1,194,412	31.3
Paper & Paperboard, Only	675,815	381,308	62,616	39,902	61,433	39,333	911,267	37.5
Paper, Total	297,585	250,807	28,578	26,299	28,302	26,582	349,540	18.5
Newsprint	4,525	3,728	462	417	1,226	1,159	5,281	7.5
Printing, Writing & Rel. Pap.	151,716	125,667	15,392	15,677	13,505	13,538	172,586	17.9
Pack. & Ind. Conv. Paper	25,826	17,841	3,283	2,841	4,122	2,995	40,360	64.9
Special Industrial Paper	110,107	97,080	8,229	6,516	8,588	8,051	124,406	9.7
Tissue Paper	5,411	6,490	1,212	847	861	839	6,906	21.6
Paperboard, Total	378,230	130,501	34,039	13,604	33,132	12,752	561,728	52.8
Convtd Paper&Paperbd Products	244,940	200,173	22,206	23,903	23,036	21,549	283,145	14.7
Wet Machine Board	10,212	4,828	573	222	522	201	7,058	-33.2
Construction Paper & Board	26,467	12,120	3,089	1,451	3,200	1,505	28,347	10.8

SOURCE: Bureau of Census, Department of Commerce E - Estimate of tonnage based on square foot data 17-Nov-88

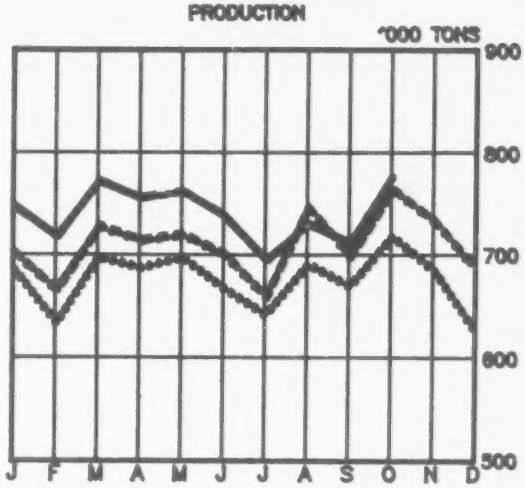
UNBLEACHED KRAFT LINERBOARD

PRODUCTION



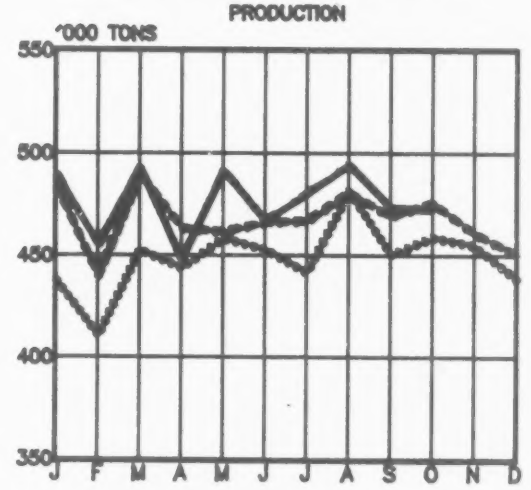
RECYCLED PAPERBOARD

PRODUCTION



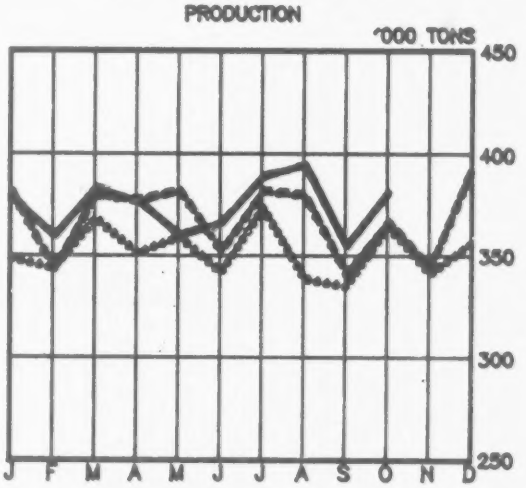
SEMICHEMICAL PAPERBOARD

PRODUCTION



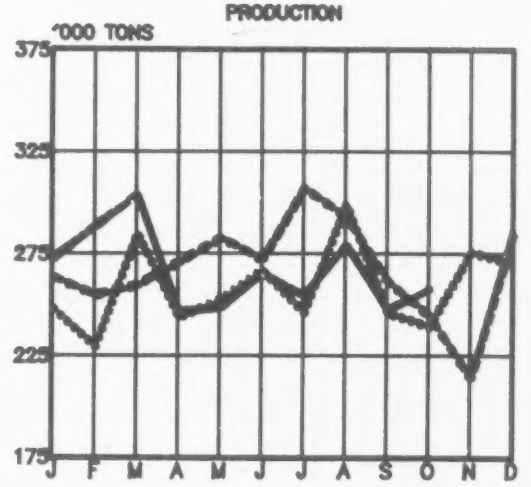
SOLID BLEACHED PAPERBOARD

PRODUCTION



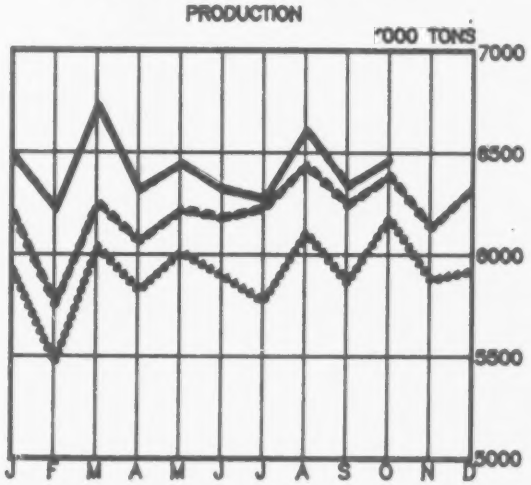
PAPERBOARD FOR EXPORT

PRODUCTION



TOTAL PAPER AND PAPERBOARD

PRODUCTION



1986 ••••••••• 1987 ▬▬▬ 1988

I M P O R T S

	YEAR 1987 Tons	YEAR 1987 $000	1988 AUGUST Tons	1988 AUGUST $000	1988 SEPTEMBER Tons	1988 SEPTEMBER $000	(1) Annual Rate YTD 1988 Tons	% Change from same Period Last Year
Pulpwood Roundwood (cords)	15,432	1,746	6,860	601	8,278	696	47,273	524.9
Pulpwood Chips	525,629	15,476	69,150	3,031	85,297	4,538	874,356	83.8
Total All Imports	17,891,172	9,043,600	1,591,798	947,384	1,542,794	925,678	18,487,296	3.9
Wood Pulp Total	4,850,238	2,069,389	459,845	254,540	378,799	211,695	5,017,515	3.1
Waste Paper	127,398	19,231	12,112	2,000	15,601	2,461	168,868	41.7
Other Fibrous Materials	76,491	27,287	7,047	2,295	6,900	2,475	93,642	14.2
Paper Board & Products Total	12,837,046	6,927,693	1,112,794	688,550	1,141,504	709,046	13,207,272	3.7
Paper Paperboard Wet Machine Bd. & Construction Paper & Board	12,435,486	5,995,122	1,073,106	597,439	1,104,777	623,325	12,787,463	3.7
Paper Ppbd & Prds ex Cnst&WMB	12,527,598	6,828,736	1,082,510	678,165	1,108,327	698,046	12,889,620	3.9
Paper & Paperboard Only	12,126,039	5,896,165	1,042,822	587,053	1,071,601	612,325	12,469,812	3.9
Paper Total	11,765,208	5,768,703	1,010,947	574,835	1,046,060	602,523	12,131,310	4.3
Newsprint	8,986,548	4,121,327	730,629	385,010	742,099	391,941	8,856,163	-1.6
Printing & Writing	2,410,216	1,412,458	237,934	163,769	266,875	184,749	2,861,732	26.5
Uncoated Groundwood	1,269,774	654,767	116,803	68,616	125,006	75,797	1,425,357	19.3
Coated Print.& Impreg. Pap.	674,531	467,865	72,741	59,746	83,896	68,564	810,957	28.9
Uncoated Free Sheet	417,395	249,943	44,290	31,857	50,358	35,003	561,155	44.9
Uncoated Book	210,624	119,775	20,713	14,385	28,201	18,754	251,951	17.9
Writing and Similar Paper	206,771	130,168	23,578	17,472	22,157	16,249	309,204	78.1
Thin (except Cigarette)	47,567	38,831	3,723	3,377	5,852	4,646	58,864	18.2
Bristols	950	1,052	377	172	1,764	739	5,398	553.7
Total Pkg & Other Paper	310,324	191,620	37,887	22,140	32,689	21,933	348,919	11.3
Unbleached Kraft Paper	168,420	69,828	16,013	7,264	15,327	7,430	170,709	-0.1
Other Pkg. & Indust. Paper	141,904	121,792	21,875	14,876	17,362	14,503	178,209	24.9
Tissue	58,121	43,299	4,497	3,916	4,397	3,900	64,497	17.3
Paperboard, Total	360,831	127,461	31,875	12,219	25,541	9,802	338,502	-7.9
Test or Containerboard	80,981	29,352	9,267	3,885	7,549	3,036	79,883	1.2
Semi-Chemical Corrugating	128,636	33,898	12,845	4,070	10,398	3,353	147,181	17.3
Other Paperboard	151,214	64,211	9,763	4,263	7,593	3,413	111,438	-31.7
Convtd Paper&Paperbd Products	401,559	932,571	39,688	91,111	36,726	85,721	419,808	3.5
Paper Products, Total	368,179	866,121	36,363	84,040	34,030	80,701	383,125	3.2
Paperboard Products, Total	33,380	66,450	3,325	7,071	2,696	5,020	36,683	7.1
Wet machine Board	3,463	2,638	390	320	461	412	4,423	27.6
Construction Paper & Board	305,985	96,320	29,895	10,065	32,716	10,588	313,229	-2.9
Notes								
Other: No Weight Avail. ($000)		201,453		15,755		15,304	178,970	-13.6
Total Imports Incl. Other($000)		9,245,053		963,139		940,982	10,836,236	19.6

E X P O R T S

							(1)	
Pulpwood, Roundwood (cords)	16,178	913	1,259	88	904	64	14,285	31.9
Pulpwood Chips	2,546,467	188,459	255,899	22,455	379,162	32,555	3,342,233	36.0
Total All Exports	14,797,437	6,007,818	1,459,503	662,107	1,518,279	688,357	16,942,393	16.1
Wood Pulp,Total	4,889,331	2,259,377	497,420	270,663	517,617	277,926	5,486,780	12.3
Cotton Pulp and Other Pulp	182,001	91,365	12,475	7,325	13,853	9,113	198,184	8.6
Waste and Old Paper	4,422,139	553,348	474,312	58,182	466,945	57,181	5,508,909	31.4
Paper, Board & Products,Total	5,303,966	3,103,728	475,296	325,937	519,864	344,136	5,748,520	7.8
Paper,Paperboard,Wet Machine Bd. & Construction Paper & Board	4,578,770	2,280,329	403,667	230,802	452,294	249,518	4,929,581	6.8
Paper, Ppbd & Prod ex Cnst&WMB	5,196,613	3,044,506	464,586	320,186	509,220	338,866	5,613,883	7.3
Paper & Paperboard, Only	4,471,418	2,221,107	392,957	225,051	441,651	244,247	4,794,944	6.3
Paper, Total	921,397	776,181	90,841	86,510	103,016	91,912	1,075,757	18.0
Newsprint	339,773	210,093	35,704	24,842	48,831	32,031	389,094	13.7
Printing & Writing	249,092	242,639	25,036	29,023	22,341	26,784	284,353	17.5
Uncoated Groundwood	55,841	39,750	4,952	4,801	5,843	5,327	65,559	23.8
Clay Coated Paper	100,839	72,145	9,163	7,682	6,883	6,235	100,998	3.9
Uncoated Free Sheet	67,858	99,330	8,174	12,623	6,870	10,897	83,141	26.9
Other Printing & Writing	24,554	31,414	2,748	3,917	2,74	4,325	34,655	31.7
Total Pkg. & Other Paper	294,201	292,659	26,303	28,622	29,232	30,207	347,760	19.3
Unbleached Kraft	89,194	40,758	8,465	4,788	11,576	5,879	104,835	22.7
Other Pkg. & Indust. Paper	205,007	251,901	17,838	23,834	17,656	24,328	242,926	17.9
Tissue	38,332	30,790	3,798	4,022	2,613	2,890	54,550	50.8
Paperboard, Total	3,550,021	1,444,926	302,116	138,541	338,635	152,336	3,719,187	3.4
Solid Wood Pulp	3,218,952	1,321,618	277,353	126,687	317,122	141,513	3,428,297	4.8
Total Linerboard	2,296,633	812,161	185,770	72,340	223,940	88,938	2,323,732	-0.9
Bleached Kraft Linerboard	102,266	46,429	5,387	3,353	10,644	5,891	131,642	49.7
Unbleached Kraft Linerbd	2,194,367	765,731	180,383	68,988	213,295	83,047	2,192,090	-2.8
Other Unbleached Kraft	210,566	78,596	23,755	7,842	27,271	9,723	330,363	49.6
Other Bleached Kraft	647,803	407,923	63,430	44,481	64,816	42,200	730,093	14.5
Semi-Chemical Corrugating	63,951	22,938	4,398	2,024	1,996	653	44,109	-37.0
Recycled Paperboard	331,069	123,308	24,763	11,854	21,512	10,822	290,891	-10.7
Convtd Paper&Paperbd Products	725,196	823,399	71,629	95,135	67,569	94,618	818,939	13.7
Paper Products, Total	301,202	540,681	34,216	63,563	32,069	62,216	362,712	20.9
Paperboard Products, Total	423,994	282,718	37,413	31,572	35,500	32,402	456,227	8.5
Wet Machine Board	17,328	7,816	864	348	91[illegible]	394	12,041	-33.9
Construction Paper & Board E	90,024	51,405	9,846	5,403	9,73[illegible]	4,877	122,595	42.5
Notes								
Other: No Weight Avail. ($000)		8,037		909		700	9,041	13.9
Total Exports Incl. Other($000)		6,015,855		663,016		689,057	7,421,707	24.9

SOURCE: Bureau of Census, U.S. Department of Commerce. E - Incl. estim. of tonnage based on square foot data.
(1) Annual Rate Year-To-Date is in tons unless otherwise specified in item description.

PRODUCER PRICE INDEXES
1982 = 100

	1986	1987	JULY 1988	AUGUST 1988	SEPTEMBER 1988	OCTOBER 1988	Annual Rate Y-T-D 1988	% Change from same Period Last Year
Pulp, Paper and Products except Building Grades	107.5	114.3	125.6	126.3	127.6	128.2	124.1	9.1
Pulp Paper & Products, ex. Building Grades & ex Waste Paper *	106.9	113.2	124.6	125.3	126.6	127.3	123.0	9.2
Total Wood Pulp	94.7	111.5	138.3	141.0	142.3	145.2	135.0	22.4
Total Paper	107.0	111.5	123.6	124.7	125.4	127.0	122.3	10.3
Total Paper, exc. Newsprint	107.9	110.6	123.9	125.4	126.1	128.6	122.2	11.3
Newsprint	103.3	112.3	127.4	127.3	127.3	127.3	127.6	14.6
Total Paperboard	106.5	110.1	134.3	134.5	136.3	136.5	132.6	13.1
Total Paper and Paperboard *	106.8	113.6	127.0	127.8	128.8	130.0	125.5	11.2
Converted Products	109.4	114.7	123.6	124.2	125.8	126.1	122.2	7.0
Waste Paper	142.6	181.4	185.3	185.4	185.5	179.2	187.5	4.0
All Commodities	100.2	102.8	107.8	108.0	108.1	108.2	106.6	4.0
Industrial Commodities	100.0	102.6	106.7	107.1	106.9	107.1	106.0	3.6

SOURCE: Producer Price Indexes: Bureau of Labor Statistics, U.S. Department of Labor * Computed by API

PAPER & PAPERBOARD NEW SUPPLY

Seasonally Adjusted
(Thousands of Short Tons)

	1987 Q 1	Q 2	Q 3	Q 4	1988 Q 1	Q 2	Q 3
Newsprint	3,222.9	3,441.1	3,511.3	3,564.8	3,439.4	3,414.3	3,412.9
Total Printing & Writing	5,627.3	5,710.6	6,044.8	6,102.4	6,145.5	6,164.5	6,340.8
Uncoated Groundwood	799.9	773.1	784.8	812.1	827.1	862.0	859.9
Coated Papers	1,738.4	1,800.2	1,957.8	1,951.0	1,978.4	2,007.4	2,092.1
Uncoated Free Sheet	2,716.1	2,772.7	2,913.2	2,954.1	2,962.3	2,909.8	2,993.0
Bleached Bristols	259.0	257.5	280.3	276.9	270.6	284.2	298.3
Cotton Fiber	41.0	40.2	41.1	41.0	40.9	38.9	40.2
Thin Papers	72.9	66.8	67.7	67.4	66.3	62.3	57.4
Total Packaging & Other	1,307.6	1,249.5	1,227.5	1,324.1	1,294.1	1,302.8	1,291.0
Unbleached Kraft	815.4	791.7	765.0	792.7	784.2	779.7	758.3
Other Paper	492.2	457.8	462.6	531.5	509.8	523.1	532.7
Tissue	1,314.6	1,322.8	1,352.9	1,341.0	1,376.9	1,355.6	1,401.2
Total Unbleached Kraft	4,016.7	4,139.1	4,236.0	4,347.6	4,264.2	4,192.7	4,247.3
Unbl. Kr. Linerboard	3,698.6	3,819.7	3,920.5	4,068.5	3,933.4	3,893.5	3,916.9
Other Unbl. Kraft Pbd.	318.1	319.4	315.6	279.2	330.9	299.2	330.5
Semichemical	1,386.5	1,351.4	1,389.2	1,413.0	1,431.3	1,408.1	1,424.7
Solid Bleached	929.1	958.7	975.3	993.9	946.0	943.4	997.6
Recycled	2,092.5	2,126.3	2,159.8	2,224.5	2,206.4	2,221.9	2,193.2

market pulp held by all North American and Nordic producers have moved along a flat trend throughout this period, with the current level no higher than it was two years ago.

There was some increase in inventories of market pulp held by U.S. consumers during August 1988, when the total rose from a July level of 548,000 tons to 634,000 tons, but inventories then eased downward to 628,000 tons in September. At that level inventories were equivalent to 37 days of supply, compared to 35 days of supply one year earlier and 30 days as of the end of January 1987.

In the first ten months of this year shipments of these pulps to the export market accounted for 59% of the total. Western Europe continues to be the largest customer, accounting for 40% of the export total. Japan took 23%; the Asian/African countries a total of 21%; the Latin American countries 11%. The remaining 5% was distributed to Canada, the Nordic countries, Oceania plus about 2,000 tons to Eastern Europe.

NEW SUPPLY PATTERNS

U.S. new supply of paper and paperboard outpaced real Gross National Product during 1986 and 1987, but is running behind real GNP growth this year. (See graph on page 1.) In particular, new supply of paper and paperboard rose by about 5% a year in 1986 and 1987, while real GNP registered gains of 2.8% and 3.4%, respectively. During the first three quarters of 1988, real GNP exceeded its year-ago rate by 4.2%, although it advanced at a rate of only 2.9% per year between the final quarter of 1987 and the third quarter of 1988. The slower growth of new paper and paperboard supply relative to real GNP suggests that customer market inventories are, on balance, being drawn down as users bring their inventories in line with current usage. This type of correction has positive implications for the future in that it reduces the likelihood of an inventory cycle.

New supply of paper was 4.5% above its year-earlier level during the first three quarters of 1988, but advanced at a rate of only 1.2% per year since the fourth quarter of 1987. The strongest gains among the paper grades were in the printing-writing paper category. New supply of printing-writing papers was up 7.3% from its year-ago level during the first three quarters of 1988 but increased by only 3.9% from the fourth quarter of 1987 to the third quarter of 1988. Domestic production of printing-writing papers increased 6% from the first three quarters of 1987 to the corresponding 1988 period, while import growth amounted to 19.5%.

Among the individual printing-writing paper grades, coated papers have registered the strongest new supply growth so far this year: up 10.6% during the first three quarters of this year and 7.2% since the final quarter of 1987. Coated paper imports were up 28.9% during the first eight months of 1988, and accounted for 9.9% of new supply, versus 9.1% in 1987. However, some of this additional tonnage was probably diverted to inventories. This year's gains in coated paper imports have mainly come from Canada and Finland. Recent expansions in

Canadian coated paper capacity are also factors in this growth.

New supply of uncoated free sheet papers exceeded its year-ago volume by 5.5% during the first three quarters of 1988, but seasonally-adjusted quarterly totals registered virtually no growth between the fourth quarter of 1987 and the third quarter of this year. Imports of these papers were up 44% during the first nine months of 1988, with most of the growth coming from Brazil and Europe. The imposition of 100% duties on imports of writing papers from Brazil, which became effective on October 20, will effectively cut off all writing paper from Brazil. Imports from Brazil were about 100,000 tons per year so far in 1988, equivalent to less than 1% of uncoated free sheet new supply.

New supply of uncoated groundwood papers surpassed its year-ago volume by 8.1% during the first three quarters of 1988. However, new supply of these papers rose by 5.9% from the fourth quarter of 1987 to the third quarter of 1988. Imports, largely from Canada and Finland, rose by 11.7%, and now comprise 55% of total groundwood paper new supply. Shipments of groundwood papers from domestic mills amounted to 7.4% of total printing-writing paper shipments, while imports of these grades were 57% of total printing-writing paper imports.

New supply of tissue papers advanced 3.6% during the first three quarters of 1988, which was about in line with the 3.4% increase recorded by this category in 1987. A 2.2% decline in the new supply of unbleached kraft papers during the first three quarters of 1988 was more than offset by strong growth in the demand for bleached kraft and industrial papers. As a result, total new supply of packaging and industrial converting papers exceeded its year-ago volume by 2.6% during the first three quarters of 1988.

After spurting ahead by 5.5% in 1987, new supply of newsprint exceeded its year-ago volume by 0.9% during the first three quarters of 1988. However, the third quarter 1988 rate of new supply of newsprint was off 4.3% from its fourth quarter 1987 level. This weakening partly reflected slower newsprint consumption gains by daily newspapers and other end users. Domestic production of newsprint fared better than total new supply, climbing 2.7% through September. On the other hand, imports of newsprint have remained nearly flat this year.

New supply of paperboard exceeded its year-ago volume by 2.8% during the first three quarters of 1988, but the third quarter 1988 total was 1.3% below last year's fourth quarter rate. Among the paperboard grades, new supply of recycled paperboard was up 3.8% on a year-to-date basis through September; semichemical paperboard, 3.3%. New supply of unbleached kraft paperboard rose 2.5%, compared with a 7.4% gain in 1987.

The table on page 10 presents quarterly data on new supply of paper and paperboard, by major grade, for 1987 and the first three quarters of 1988. The data on total paper and paperboard new supply differ from those shown on the Industry Data Sheet, largely because the Industry Data Sheet totals also include net imports of paper and paperboard products.